Message Text

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R 271039Z DEC 76 FM AMEMBASSY BANGKOK TO SECSTATE WASHDC 7584 INFO USMISSION GENEVA AMEMBASSY JAKARTA AMEMBASSY KUALA LUMPUR AMEMBASSY MANILA AMEMBASSY SINGAPORE

UNCLAS BANGKOK 34588

E.O. 11652: N/A

TAGS: ETRD, ASEAN, TH

SUBJECT: MTN TROPICAL PRODUCTS NEGOTIATIONS

REF.: (A) JAKARTA 16383, (B) GENEVA 9226

- 1. AT REQUEST OF MOFA CHARGE CALLED ON NITSAI WETCHACHIWA, DIRECTOR GENERAL OF INFORMATION AND ASEAN DIVISIONS, MINISTRY OF FOREIGN AFFAIRS, MORNING OF DECEMBER 27. NITSAI HANDED CHARGE AIDE-MEMOIRE RELATING TO SUBJECT NEGOTIATIONS. AS THAI TEXT DIFFERS TO SOME EXTENT FROM JOINT MEMORANDUM TRANSMITTED REFTEL AIDEMEMOIRE IS QUOTED BELOW IN ITS ENTIRETY.
- 2. BEGIN QUOTE. 1. WITH REFERENCE TO THE CURRENT NEGOTIATIONS ON TROPICAL PRODUCTS IN THE MULTILATERAL TRADE NEGOTIATIONS, AND IN PURSUANCE OF THE CHAIRMAN'S SUMMING-UP AND RECORD OF DECISIONS AT THE TROPICAL PRODUCTS GROUP MEETING AT GENEVA, ON 18-20 OCTOBER 1976, THAILAND, TOGETHER WITH OTHER ASEAN COUNUNCLASSIFIED

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TRIES, MAKE THIS SUBMISSION WITH A VIEW TO THE IMPROVEMENT AND EARLY IMPLEMENTATION BY THE UNITED STATES GOVERNMENT OF ITS OFFER IN RESPONSE TO ASEAN REQUESTS. THE ASEAN COUNTRIES ALSO WISH TO DRAW ATTENTION TO THE COMMITMENTS UNDERTAKEN BY DEVELOPED COUNTRIES IN PART IV OF THE GATT WE WELL AS THE TOKYO DECLARATION. THEY WOULD ALSO RECALL THAT AS EARLY AS 1963 THE

UNITED STATES GOVERNMENT ENDORSED THE OBJECTIVE OF DUTY-FREE ENTRY FOR TROPICAL PRODUCTS.

- 2. THE ASEAN MEMBERS CONSIDER THE UNITED STATES A LEADING PARTICIPANT IN THE MULTILATERAL TRADE NEGOTIATIONS. THE NE-GOTIATIONS HAVING BEEN INITIATED BY THE JOINT UNITED STATES-JA-PAN STATEMENT ON INTERNATIONAL ECONOMIC RELATIONS IN FEBRUARY 1972, AND THE ASEAN COUNTRIES NOTE WITH APPRECIATION THE ME-SURES THAT HAD BEEN TAKEN BY THE UNITED STATES GOVERNMENT IN PROMOTING CLOSER ECONOMIC COOPERATION WITH ASEAN, INCLUDING ITS POSITIVE ATTITUDE TOWARDS THE ASEAN REQUEST LIST ON TROPI-CAL PRODUCTS. HOWEVER, THE ASEAN COUNTRIES WOULD WISH TO POINT OUT THAT THE RESPONSE FROM THE UNITED STATES GOVERNMENT IN THE FORM OF OFFERS ON TROPICAL PRODUCTS WAS ONLY WORTH APPROXIMATE-LY \$104 MILLION, BASED ON UNITED STATES IMPORTS IN 1973, AS COMPARED TO THE TOTAL ASEAN REQUEST OF \$528 MILLION FOR THE SAME YEAR. FURTHERMORE, THE ASEAN COUNTRIES NOTE THAT IN MANY INSTANCES THE DEPTH OF TARIFF CUT IN THE UNITED STATES OFFER HAS BEEN RESTRICTED BY THE NEGOTIATING AUTHORITY UNDER WHICH THE UNITED STATES GOVERNMENT IS CURRENTLY OPERATING.
- 3. THE ASEAN COUNTRIES WOULD LIKE TO BRING TO THE ATTENTION OF THE UNITED STATES GOVERNMENT THAT REQUESTS FROM ASEAN COUNTRIES FOR A NUMBER OF IMPORTANT EXPORTS WHICH INCLUDES INTER ALIA SUGAR, TOBACCO, CANNED PINEAPPLE JUICE, TIMBER AND WOOD PRODUCTS, TUNA, ABACA PRODUCTS, NATURAL RUBBER AND RUBBER PRODUCTS, PRAWNS, SPICES, LEATHER PRODUCTS, FOOTWEAR, TEXTILES AND ELECTRONICS TO THE UNITED STATES HAD NOT BEEN ACCORDED ANY OFFER. THE ASEAN COUNTRIES BELIEVE THAT THERE ARE NO INSURMOUNTABLE PROBLEMS WHICH PREVENT THE UNITED STATES FROM INCLUDING THESE UNCLASSIFIED

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ITEMS IN ITS OFFER LIST AND HOPE THAT THE UNITED STATES GOVERNMENT WILL GIVE FURTHER CONSIDERATION TO IMPROVING ITS INITIAL OFFER.

- 4. ADDITIONALLY, THAILAND WISHES TO POINT OUT THAT EXISTING PREFERENTIAL TARIFF MARGINS UNDER GSP SHOULD BE BOUND AND THAT IN CASE OF EROSION OF PREFERENTIAL MARGINS, RESULTING FROM THE MFN CUTS. EFFECTIVE COMPENSATION SHOULD BE MADE.
- 5. AS AN IMPORTANT TRADING PARTNER OF THE UNITED STATES, THE ASEAN COUNTRIES ARE A SUBSTANTIAL MARKET FOR UNITED STATES EXPORTS WHICH AMOUNTED TO \$4.4 BILLION IN 1974. HOWEVER, EXPORTS BY ASEAN COUNTRIES TO THE UNITED STATES AMOUNTED TO ONLY \$3.4 BILLION IN THE SAME YEAR.
- 6. IN VIEW OF THE FOREGOING CONSIDERATIONS THE ASEAN COUNTRIES WOULD URGE THE UNITED STATES GOVERNMENT TO IMPLEMENT ITS INITIAL OFFER AS EARLY AS POSSIBLE AND TO SUPPLEMENT THAT OFFER

BY IMPROVING THE SCOPE AND CONTENT OF THE CONCESSIONS IN THE TROPICAL PRODUCTS GROUP TAKING INTO ACCOUNT THE DEVELOPMENT NEEDS OF THE ASEAN COUNTRIES. END QUOTE.

3. COMMENT. WORTH OF USG OFFER CITED AS \$104 MILLION IN PARA TWO OF THAI TEXT IS \$190 MILLION IN INDONESIAN MEMORANDUM. RTG AIDE-MEMOIRE ALSO INCLUDES A NEW CONDITION IN PARA 4 CONCERNING COMPENSATION SHOULD EROSION OF PREFERENTIAL TARIFF MARGINS OCCUR.
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